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Organizational matters

Annual work plan 2002 for UNDP/UNFPA Executive Board

I. Overview

1. The draft annual work plan 2002 was prepared by the Executive Board secretariat in consultation with the Bureau of the Executive Board. As agreed by the Board at its second regular session 2001, there will be two regular sessions and one annual session in 2002.

2. A joint session of the Executive Board of UNDP and UNFPA and the Executive Board of the United Nations Children's Fund (UNICEF), with the participation of the World Food Programme, will be held during the first regular session 2002. The Bureau agreed to the theme: "UNDG priorities for 2002 and beyond in response to the resolution on TCPR."

II. UNDP

A. Policy and management

3. The Administrator will provide updates on the implementation of the Business Plans, 2000-2003, at every session of the Executive Board. He will focus particularly on country office re-profiling, the simplification of programming instruments, management- and performance-assessment instruments, investments in staff learning, substantive policy support and staff needs relating to security and HIV/AIDS. He will also pursue the follow-up of the Ministerial meeting with a view to rebuilding political support at national, regional and international levels.

4. The Executive Board will review the reports of the Administrator on evaluation (DP/2001/26) focusing on strategic areas in which evaluation activities have contributed to increasing the effectiveness of UNDP; on the evaluation of non-core

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resources (DP/2001/CRP.12), including government cost-sharing, and the impact on national capacities; and direct execution (DP/2001/CRP.13) which provides an assessment of the experience with direct execution to date. The report complements the evaluation of non-core resources.

5. As agreed by the Executive Board at its second regular session 2001, the Board will consider the overall relationship between UNDP and the United Nations Office for Project Services (UNOPS) at the first regular session.

6. At its first regular session, the Executive Board will review the report of the Administrator on the UNDP contribution to reversing the HIV/AIDS epidemic in the context of the United Nations system strategic plan for HIV/AIDS for 2001-2005.

B. Programme matters

7. Pursuant to decision 2001/11 on the UNDP/UNFPA programming process, a first group of draft country outlines will be submitted to the Executive Board for review at its annual session. A number of country cooperation frameworks prepared under the former format will also be submitted to the Board for adoption at its first and second regular sessions.

8. The annual country reviews have been discontinued because the annual review of the strategic results framework (SRF) and the results-oriented annual report (ROAR), the common country assessment (CCA)/United Nations Development Assistance Framework (UNDAF) processes and the monitoring of the development goals set out in the Millennium Declaration have made the country reviews redundant.

9. Based on the experience and comments received from the Executive Board at its annual session 2001, UNDP will present a simplified and more user-friendly ROAR 2001 at the annual session 2002. The report will highlight the following outcomes:

(a) Goal III: Environmentally sustainable development to reduce human poverty.
Sub-goal 1: Sustainable environmental management and energy development to improve the livelihoods and security of the poor.

(b) Goal IV: Advancement in the status of women and gender equality.
Sub-goal 2: Advancement of women through the implementation of global commitments.

(c) Goal VI: UNDP support to the United Nations.
Sub-goal 2: Increasingly collaborative, efficient and effective operational activities for development.

10. Under the joint segment at the first regular session, UNDP and UNFPA will present their reports to the Economic and Social Council on the activities undertaken in 2001.

11. The second regional cooperation frameworks for Africa, the Arab States, Europe and the Commonwealth of Independent States and Latin America will be presented to the Executive Board at its first and second regular sessions. The second regional

cooperation framework for Asia and the Pacific was approved at the second regular session 2001.

12. The report on UNDP activities funded by the Global Environment Facility and the Montreal Protocol will be submitted to the Executive Board at its first regular session and the biennial report of the United Nations Volunteers will be submitted at its annual session.

C. Financial resources

13. The Executive Board will review the status of regular funding commitments to UNDP and its associated funds and programmes at the annual session 2002 in accordance with decision 98/23.

14. A paper on the next programming financial framework (2004 and beyond) on possible improvements in the present target for resource assignment from the core (TRAC) resource distribution model, including a review of thresholds, will be presented at the annual session (in accordance with decision 99/2).

III. UNFPA

15. A key activity during 2002 will be to implement the transition process that began in 2001 to strengthen UNFPA operations at the country level and to position the Fund to assist programme countries better in achieving the goals of the Millennium Declaration and of the programme of action of the International Conference on Population and Development (ICPD). The aim of the process is to renew and strengthen UNFPA by identifying and institutionalizing within the Fund the necessary capacities, systems and structures to achieve those goals in the area of population and development. A significant step in the process was the conduct of a field needs assessment study in June/July 2001. The transition process is expected to conclude by the end of 2002.

16. Another key activity will be to mainstream the results-based management (RBM) approach throughout UNFPA. The Fund will continue to strengthen the RBM approach in the programming process and to build the capacity of UNFPA staff and national partners to manage for results. The Fund will ensure that the results approach guides the design of new country programmes and the implementation, monitoring and evaluation of approved UNFPA-supported programmes.

A. Policy and management

17. The Executive Director will report on the status of the implementation of the transition process in her statements to the Executive Board at each session.

18. In her annual report for 2001, the Executive Director will provide the Executive Board with highlights of the UNFPA programme for the year as well as a statistical overview. This report for 2001 will focus on the efforts of the Fund in the area of capacity building.

19. In response to decision 99/19, the Executive Director will submit to the Executive Board at its first regular session a report on the Technical Advisory Programme. The report presents possible future options, including a preferred option, for UNFPA technical support for the fourth cycle of the Programme, 2002-2005.

20. In response to decision 2000/8, the Executive Director will submit to the Executive Board at its annual session proposed adjustments to the financial regulations and operational procedures of the Fund designed to facilitate its full participation in sector-wide approaches.

21. At the annual session, the Executive Director will submit the first UNFPA country programmes developed under the harmonized programming process set forth in decision 2001/11.

B. Organizational results

22. The Executive Director will report periodically to the Executive Board during the year on the status of implementation of the RBM approach in UNFPA.

23. UNFPA will report on the 2000-2003 multi-year funding framework (MYFF) as part of the annual report of the Executive Director that will be submitted to the Executive Board at its annual session in June 2002.

24. The year 2001 is the second year of implementation of the MYFF through a RBM approach. In light of the stage of implementation, UNFPA will report on results to the extent that data are available and will present a more in-depth analysis of the MYFF capacity-building strategy.

25. Based on a situation analysis of all countries receiving UNFPA assistance, the Fund will endeavour to make recommendations for refining the MYFF results framework and its components. UNFPA will also provide an update of the implementation of the resources framework, including an update of the resource situation and the utilization of resources for 2001.

C. Financial resources and budget

26. The meeting on funding commitments to UNFPA will be held at the annual session in conjunction with the presentation of the report on the MYFF, in accordance with decision 98/24.

27. As requested in decision 2001/16, the Executive Director will submit to the Executive Board at its second regular session proposed revisions to the biennial support budget for 2002-2003 that arise from further review of organizational requirements, including the field needs assessment study.

28. As requested in decision 2001/16, the Executive Director will submit to the Executive Board at its second regular session a comprehensive human resource development strategy for adoption by the Board.

Annex

Annual work plan 2002 of the Executive Board of UNDP and UNFPA

First regular session: 28 January to 8 February 2002

1. Organizational matters

   - Election of the Bureau of the Board for 2002
   - Adoption of the agenda and work plan for the session
   - Adoption of the report of second regular session 2001
   - Adoption of the annual work plan 2002 of the Executive Board (decision 96/25)

UNDP segment

2. UNDP Business Plans, 2000-2003

   - Update, including follow-up to the ministerial meeting

3. Country cooperation frameworks and related matters

   - Options for programming instruments at the country level as follow-up to DP/2001/CRP.11
   - Country cooperation frameworks and reviews
   - Regional cooperation frameworks for Africa, the Arab States and Latin America and the Caribbean

4. UNDP strategic plan for HIV/AIDS for 2002-2005

5. Report on UNDP activities financed by the Global Environment Facility and Montreal Protocol

Joint UNDP and UNFPA segment

6. UNDP, UNFPA and UNOPS reports on the implementation of recommendations of the Board of Auditors, 1998-1999

7. Report of UNDP and UNFPA to the Economic and Social Council

UNFPA segment

8. Technical Advisory Programme

   - Report on further options for the Technical Advisory Programme (December 99/19)

9. Country programmes and related matters

10. Other matters

Joint Session of the Executive Boards of UNDP/UNFPA and of UNICEF with the participation of the Executive Board of WFP
Theme: UNDG priorities for 2002 and beyond: a response to the triennial policy review of operational activities for development of the United Nations system.

Annual session: 17 to 28 June 2002

1. Organizational matters

UNFPA segment

2. Report of the Executive Director for 2001, including: (a) statistical overview; (b) humanitarian assistance; and (c) reproductive health commodity security

3. Funding commitments to UNFPA

   - Report on funding commitments to UNFPA

4. Sector-wide approaches

   - Financial regulations concerning sector-wide approaches (December 2000/8)

5. Evaluation

   - Periodic report on evaluation

6. Country programmes and related matters

Joint UNDP and UNFPA segment

7. Internal audit and oversight

   - Reports of UNDP, UNFPA and UNOPS on internal audit and oversight

8. Reports on field visits

9. UNAIDS progress reports on UNDP and UNFPA contributions to the United Nations strategic plan for HIV/AIDS

UNDP segment

10. Annual report of the Administrator 2001, including the results-oriented annual report, summary of the Joint Inspection Unit reports and statistical annexes

11. Review of funding commitments to UNDP
(Note: Actual pledges will have to be transmitted to UNDP in writing by end of March 2002 in order to be reflected in the document submitted under this item)

12. Country programming and related matters

- Issues and principles for possible improvements in the present target of resource assignment from the core (TRAC) resource distribution model, follow-up to DP/2001/CRP.10

13. Biennial report on UNV activities

14. UNOPS: Annual report of the Executive Director

15. Other matters

Special event – Theme to be decided

Second regular session: 23 to 27 September 2002

1. Organizational matters, including list of items for 2003

UNDP segment

2. Financial, budgetary and administrative matters

- Annual review of the financial situation
- Update on biennial budget estimates for 2002-2003

3. Evaluation

- Annual report of the Administrator on evaluation

4. Country programming and related matters

5. UNOPS: Financial, budgetary and administrative matters

- Annual review of the financial situation
- Budget estimates for 2002-2003
- Report of ACABQ on budget estimates for 2002-2003

UNFPA segment

6. Financial, budgetary and administrative matters

- Revised biennial support budget for 2002-2003
- Report of ACABQ on revised biennial support budget 2002-2003
- Annual financial review, 2001

7. Country programmes and related matters

8. Other matters

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UNDP Business Plans, 2000-2003

Update on the UNDP Business Plans, 2000-2003

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I. Introduction

1. At the first regular session of the Executive Board in 2001, the Administrator presented the first implementation status of the Business Plans, 2000-2003 (DP/2001/CRP.2). The initiatives in 2000 were aimed at creating the foundations on which the new UNDP will be built, with emphasis on restructuring and downsizing, team-building and establishing a performance-based culture.

2. In 2001, efforts have been directed towards institutionalizing the change, driving it down to all layers in the organization, with a special focus on improving performance in the country offices. The corporate plan for 2001 ensured that bureaux, units and country offices addressed specific priorities for the year.

3. The sections below contain an account of the key results achieved in 2001.

II. Results achieved in 2001

A. Policy

4. The transformation of the Bureau for Development Policy (BDP) is the key to strengthening the policy capacity of UNDP and bringing world-class practical policy support where it is the most needed – in the programme countries. The transformation effort has proceeded as planned with streamlining, rationalization and decentralization of the functions and staff of the Bureau. As part of this effort, 13 staff were redeployed to the field and one of the core programmes, the Office to Combat Desertification and Drought (UNSO), was relocated to Nairobi. A few delays have been registered in the recruitment and outposting of policy specialists to the country offices; however, despite these delays, targets for 2001 will be met with 31 specialists outposted. The total number of staff at headquarters has been reduced by 39 per cent and further reductions and outposting will take effect in 2002.

5. ***Practice areas***. Six practice areas have been defined for the organization: democratic governance; poverty reduction; crisis prevention and recovery; information and communication technology; energy and environment; and HIV/AIDS. Several initiatives are under way to reinforce country-office alignment with these areas. Bureau Directors have been appointed "champions" to help to advocate for, promote and implement specific practice areas. A strategy is currently being defined to pilot a selected number of practice areas and BDP, the regional bureaux and country offices will implement it jointly.

6. ***Thematic trust funds***. Thematic trust funds have been established to attract additional funding to UNDP in the six practice areas, with a view to facilitating greater substantive alignment of UNDP activities around those themes. They offer a range of activities within specific service lines, with each service line representing a particular mix of policy and institutional responses to a particular development challenge. The facility allows programmable funds, not readily available either from regular (core) resources or from other multi-bi funding at the country level, to be channelled into a consistent set of development interventions across countries and

regions. In this respect, resource allocation will follow, among other things, needs-based criteria, with particular focus on the least developed countries (LDCs) and the Africa region. Donors have responded positively to the establishment of thematic trust funds and resource mobilization efforts are under way across the range of thematic trust funds.

7. ***Knowledge networks***. The concept of knowledge networking is being grounded in the organization. Thirty-seven knowledge networks are currently active. Seven of these networks represent core thematic networks for UNDP: governance, poverty, environment, information technology for development, HIV/AIDS, micro-finance and national human development reports. In addition, the seven networks and the seven established subregional facilities (SURFs) in Addis Ababa, Bangkok, Beirut, Bratislava, Harare, Kathmandu and Port-of-Spain are moving towards service agreements between BDP and the regional bureaux. Two other SURFs, in Dakar and Panama, have just been established and will become operational in 2002. A recent survey of performance of the SURFs and the knowledge networks shows a relatively high and growing rate of satisfaction from clients. The growing rate of satisfaction seems to represent an enhancement in the way UNDP staff are using these networks. Several networks have evolved from their original question-and-answer format to discussions of policy issues, workshops and other features that bring members closer together as a professional community. Future efforts to strengthen this trend are foreseen and will be reflected in the knowledge-management strategy being prepared.

B. Partnerships

8. UNDP has strengthened its working relationship with the United Nations Development Group (UNDG) through active participation in the programme and management groups established by UNDG. The overall mandate of these groups is to reinforce the capacity of UNDG to deliver significant results towards integrated follow-up to global conferences and the development goals set out in the Millennium Declaration. In 2001, UNDP chaired the Management Group, with a focus on harmonizing personnel and financial policies, strengthening the system for appraising resident coordinator performance and developing common services. Individual resident coordinator performance is now appraised on an exceptional basis by members of the United Nations System Chief Executive Board for Coordination; self-assessment of the United Nations country team was implemented and is reported upon through the annual report exercise.

9. UNDP has continued to be proactive in its cooperation with the United Nations system and the Bretton Woods institutions. A series of initiatives are under way to support the Secretary-General's global compact and take it to the local level. UNDP is also actively involved in the preparation of the Conference on Financing for Development, to be held in March 2002. As regards the Bretton Woods institutions, a working group has been established to monitor progress on the Comprehensive Development Framework (CDF), the Poverty-Reduction Strategy Papers (PRSPs) and the cooperation between the World Bank and UNDP at the country level. In addition, research was conducted to compile and review recent developments in UNDP partnerships with international financial institutions (IFIs) at the country level, including the World Bank, the International Monetary Fund

(IMF), the African Development Bank and the Asian Development Bank, particularly as it relates to mobilization efforts. Several activities have been undertaken to build country-office capacity for the implementation of development projects financed by IFI loans. In order to make relevant information available to all country offices, the Bureau for Resources and Strategic Partnerships (BRSP) has created special web pages exclusively devoted to UNDP partnerships and resource mobilization with IFIs (http://www.undp.org/partnerships).

10. A partnership facility was created as a flexible mechanism to support the transformation of UNDP into a more outward-oriented organization that seeks to create strategic cooperation and partnerships with external groups in order to leverage influence and impact. The main objectives of the facility are to develop new partnerships and strengthen those that already exist at the country level. UNDP mobilized $450 000 for the facility, which allows for flexible, rapid disbursement of small amounts of catalytic funding to country offices. The high demand from country offices reveals a growing need to support non-traditional partnerships, involving the private sector and civil society together with the United Nations system and the Bretton Woods institutions. BRSP is supporting country offices in capturing substantive achievements in this area for useful and replicable lessons on the development and management of partnerships.

11. A partnership survey was designed and conducted as a pilot programme in 17 countries. Survey questions targeted specific areas of UNDP performance, including image/perception, partnering, organizational effectiveness and responsiveness. Seventy-five per cent of the respondents, including governments, bilateral organizations, other United Nations organizations, IFIs, civil society and the private sector reported that UNDP had a positive image in the country. A large majority (76 per cent) indicated that UNDP was a valuable partner. A need for improvement was noted in the areas of organizational effectiveness and responsiveness. Only 52 per cent of the respondents had a positive assessment of UNDP operational performance although an improvement was noted over the last two years in the following areas: contribution to aid coordination; capacity-building; and participatory processes. Responsiveness and client orientation emerged as a weak area with 38 per cent of respondents expressing a positive opinion. At least half of the respondents noted an improvement over the last two years in the following areas: national ownership of UNDP programmes (60 per cent); contribution to aid coordination (59 per cent); and overall efficiency of the UNDP office (57 per cent). UNDP will carry out a second phase of the survey in 2002, extending the number of countries surveyed to 35.

C. People

12. Full implementation of the major corporate human resources initiatives identified in 2000 began in 2001 with the objective of downsizing and renewing the workforce, aligning staff competencies to organizational requirements, and reinforcing a culture of performance and accountability.

13. As part of the downsizing and workforce renewal exercise, particular attention was given to balancing the need to recruit staff with new profiles and retain staff with a proven performance record. A new generation of 19 professionals has been hired through the Leadership Development Programme (LEAD) and a recruitment plan is in place for 2002, through which an additional 20 candidates will be selected. Downsizing, through a large-scale voluntary separation package, resulted in 415 agreed separations in country offices, with an additional 20 planned for year-end. The regular support budget of country offices for posts and operating costs was reduced by 15 per cent. It should be noted, however, that through a shift from core to non-core financing, the absolute number of national officers actually increased, with the majority of the reductions in the General Service category. At headquarters, it is unlikely that the target of 25 per cent staff reduction will be met by end-2001. The net reduction is estimated at approximately 22 per cent, with measures in place to attain the target during 2002.

14. Competency-based approaches to the management of UNDP human resources has become a cornerstone of matching people with functions and thereby aligning the workforce profile with organizational requirements. One important element of this focus on competencies has been the introduction of competency-based assessments for the selection of candidates for the LEAD Programme, operations management and the resident coordinator function. Since December 1998, about 193 individuals have participated in the Resident Coordinator Assessment Centre, which was enhanced to reflect the evolving role of the resident coordinator, including a greatly increased emphasis on humanitarian, emergency and security issues. Sitting and former resident coordinators must now be successfully assessed to remain eligible for resident coordinator positions. In September and October 2001, for the first time, a limited number of candidates from outside the United Nations system were assessed; the results were good. An assessment centre for the selection and development of deputy resident representatives is being developed for 2002 and will play a vital role in succession planning.

15. Staff performance is continuously being evaluated through the results and competency assessment (RCA), which has been redesigned in 2001 to strengthen results orientation and better define competencies and development needs required to achieve these results. The 360-degree feedback system, designed to strengthen performance and accountability, has been introduced and 255 senior staff (117 at headquarters and 138 in country offices) have gone through the exercise. The exercise will continue for country offices into 2002.

16. The Virtual Development Academy, a web-assisted learning and certification programme, was formally launched in 2000, with the objective of aligning the skills of UNDP staff with the evolving needs of the new UNDP. A 12-month course, mostly online, was prepared and launched in May 2001; participants are required to spend five hours per week on their assignments. Ninety-one UNDP mid-career level staff are currently enrolled and receive instruction in the UNDP practice areas as well as in management and advanced information technology and in human rights and gender, cross-cutting themes. The Virtual Development Academy also addresses other management areas, including leadership and people management and consulting for development. The high level of importance attached to this initiative by both senior management and mid-career level staff has helped in the participation and attendance in project activities.

17. In May 2001, the Executive Team approved an internal communication strategy and endorsed a proposed plan of action. Some of the elements of the action plan include: staff information meetings on country office re-profiling; development of communication support package for resident representatives; increased awareness of 360-degree feedback; and preparation of the global staff meeting. In order to make communication and knowledge-sharing more effective, UNDP has acquired a new intranet and Internet portal system that will make the organization's Internet presence more consistent, functional and user-friendly. It will also allow staff – in country offices as well as at headquarters – to share information and knowledge quickly and efficiently on the Internet.

D. Performance

Corporate performance

18. Positioning results at the centre of UNDP business has been a major concern over the past few years. A simplification exercise was conducted in 2001 to interconnect programme, management, and performance-assessment instruments. The objective is for country offices to use a single results-based management system to plan, monitor, and report on most aspects of their work. As part of the effort, country programme documents, strategic results frameworks (SRFs) and project documents have been streamlined and simplified.

19. While the SRF helps to plan for development outcomes, management results are now captured through the scorecard/management-results framework. The scorecard/management-results framework consists of 17 indicators that provide a view of the overall country office performance by integrating financial measures with other key performance indicators (policy, learning, stakeholder perspectives, internal business processes). More work has to be done to achieve the objective of a truly integrated management system, particularly as it relates to increasing the synergies between management-results framework and the SRF and the choice of a common automated platform.

20. In order to reinforce the dual accountability system of performance between headquarters and country offices, the scorecard/management-results framework applies to both. In addition, to improve the quality of services that headquarters performs for country offices, a survey of headquarters products and services was conducted in 2001 for the second time and is becoming an annual feature to assess headquarters performance. Results of the survey are analysed systematically and servicing units are requested to develop strategies to bring about improvement in deficient areas.

21. As part of the simplification exercise, a specific project is being undertaken to re-engineer business processes and design an information and communication technology (ICT) strategy that responds to the needs of the new UNDP. The objective is to strengthen the UNDP network of country offices through reliable and efficient tools to communicate and share data, experience and knowledge. The project will link business needs to the next generation of ICT systems and strengthen UNDP capacity to deliver top-quality services globally. The ICT strategy, finalized in 2001, covers the period 2002-2005. One of the assumptions behind the strategy is that country offices must have full connectivity. As a

result of a concerted effort over the past few months, 102 country offices now have access to the minimum standard of 64 kbps (kilo bits per second) bandwidth, with another 31 now upgrading their connectivity.

Country office performance

22. Country office performance was a top priority for the organization in 2001. The New Horizons initiative helped to align the structures and capacity of country offices with the transformational agenda set out in the Business Plans. With this initiative, a special package of corporate support was provided to country offices, including budgetary allocations for staff training and separation packages, Internet connectivity, and rapid deployment of staff to cover transfers or separations, etc. Through savings and reprioritization, a total of $14 million has been disbursed for country office support. Over 125 support missions were fielded and more than 600 staff were trained on re-profiling techniques. As a result, all country offices have now internalized the vision of the Business Plans and reorganized themselves to contribute to the 5 corporate priorities on policy, partnerships, people, performance and resources.

23. An immediate consequence of the re-profiling missions has been the alignment of the human and financial resources of the country offices with the service lines of the new UNDP business model: (a) coordination with the United Nations system; (b) advocacy and advisory services; and (c) development services. Cuts in posts and the job fairs held to match appropriate skills to the new service lines have been an integral part of the alignment effort. Management and staff had to deal with a certain amount of stress and anxiety, particularly in view of potential job losses and the uncertainties of a rapidly changing work environment. However, individual accounts of personal experiences show that the transparent and participatory nature of the exercise has also generated a strong sense of purpose and empowerment among staff. On the financial side, the accent put on the need to reduce operational costs to an appropriate level has been an added incentive for country offices to cost their services appropriately; a substantial increase in the cost-recovery scheme was registered in 2001. Lastly, through its participatory nature and the use of internal resources to carry out the re-profiling missions, the exercise has strengthened staff capacity in the area of organizational development, resulting in the creation of a strong, internal consulting capacity both at headquarters and in country offices that can be tapped in the future.

24. During the same period, regional bureaux have identified strategic areas of performance for which support was needed in selected country offices. Targeted support is being given to these countries and needs are monitored on a continuous basis.

E. Financial resources

25. The resources situation in relation to the multi-year funding framework is dealt with in detail in document DP/2001/25. The projections for 2002 and 2003

have been adjusted in view of the low levels of voluntary contributions to regular resources in 1999 and 2000. However, it should be noted that UNDP has now reversed the earlier downward trend in voluntary contributions and the contributions in 2001are expected to reach approximately $670 million, representing 4 per cent more than the contributions received in 2000. In addition, some donors have advanced their payment schedule and contributions were received earlier, leading to improved cash-flow for UNDP. A positive trend was also registered in non-core contributions, with projections of $1.22 billion for cost-sharing income, or an increase of 7 per cent over the income in 2000. In relation to the funding of transformation initiatives under the Business Plans, UNDP has been able to mobilize over $9 million of the estimated $13 million required from donors, with additional commitments of funding from the Governments of Canada, Finland, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

26. The 2002-2003 support budget has been prepared with the objective of aligning resources with the goals and priorities of the Business Plans, 2000-2003. Given the tight regular resource situation for UNDP, this has meant cutting capacity. However, this was not done through across-the-board cuts, highly strategic choices have been made to implement reductions where possible and reinvest the savings where they will yield optimal results for the organization. In formulating the estimates for the budget for the biennium 2002-2003 (DP/2001/21), resources have therefore been deployed to the following areas: re-profiling of country offices and headquarters; new recruitment; and improved tools, including those for information and communication technology.

III. Priorities for 2002

27. The first two years of implementation of the Business Plans have focused heavily on the internal reforms necessary to build the new UNDP. Special emphasis was given to downsizing, restructuring and aligning resources and staff capacities with organizational requirements both at headquarters and in country offices. Work started on that front will be consolidated in the coming years with the re-engineering of business processes and the development of a new information and communication technology platform. In 2002, continued strong emphasis will be placed on improving performance of country offices and headquarters in delivering quality services, with special attention to substantive support in the UNDP practice areas.

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Update on the role of UNDP in crisis and post-conflict situations: organizational changes

Background

1. In its decision 2001/1, the Executive Board recognized the operational experience of UNDP in crisis and post-conflict situations and encouraged the organization to play an advocacy role in promoting the fundamental importance of the long-term development perspective.

2. UNDP commitment to eradicating poverty and empowering the poorest and most vulnerable groups continues to shape its development agenda and contributes to breaking the destructive cycle of crisis, poverty and risk that is fueling instability worldwide. UNDP work in the crisis and post-conflict area is closely aligned with the reforms of the Secretary-General, which highlight the strong need for a holistic and integrated approach to development and implementation of conflict prevention, peace-keeping and peace-building activities. The untapped potential of UNDP as a partner in these areas has been signaled out. The reforms called for a shift to a global culture of prevention, resulting in a new system-wide approach and a growing body of experience based on the lessons learned over the past decades.

3. From the UNDP perspective, development cooperation in crisis post-conflict situations has been identified as a critical link to success and UNDP is therefore required to play its pivotal role in this area within the United Nations system fully endorsed and supported by the Secretary-General. The role of UNDP in these situations is strictly limited to addressing the development dimensions of these situations and helps to complement the work of other United Nations partners. This aspect of UNDP work draws on and supports the broader mission of UNDP to enable sustainable social and economic development.

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The changing environment

4. Against this background, there has been a rapidly increasing demand for UNDP development services and coordination support in the area of crisis and post-conflict situations from various programme countries, the United Nations system and other partners. Further accentuated by recent global events, this has led to greater recognition by all these partners of the need for the Unite Nations to lead crisis-prevention and recovery activities. While UNDP has been active in this area for several decades, the environment in which the organization is now operating has changed dramatically and continues to do so, as seen by recent events.

5. UNDP partners see the many unique attributes of the organization that are crucial in United Nations-led crisis-prevention and recovery activities; for example, its extensive country office network, including offices in all crisis countries; its operational flexibility, notably in countries emerging from crisis; its track record and expertise in disaster-prevention and disaster-recovery expertise; its experience in formulating transition and recovery strategies; and its expertise in capacity-building. All of these enable UNDP to play a key-contributing role in closing the gap between humanitarian work and long-term development. In his annual report for 2000 (DP/2001/14), the Administrator confirmed that by focusing very closely on its development mandate, UNDP has been meeting the challenge in this area during 1999 and 2000.

6. In carrying out its activities in crisis prevention and recovery, UNDP complements and seeks stronger partnerships within and beyond the United Nations system, not least with the Department for Political Affairs, the Department of Peace-keeping Operations, the Office for the Coordination of Humanitarian Affairs and Bretton Woods institutions. This aspect of the organization's work draws upon and supports the broader mission of UNDP to enable sustainable social and economic development. Furthermore, other than the 5 per cent core (regular) programme resources designated by the Executive Board for this area, UNDP depends principally on extrabudgetary (other) resources to fund its overall activities. Therefore, despite growing demand for UNDP development services and coordination support, there is no diversion of core resources from regular development activities to this area.

Organizational implications and changes

7. As mentioned by the Administrator in the budget estimates for the biennium 2002-2003 (DP/2001/21), the operational responsibility within UNDP for this area was entrusted to the Emergency Response Division. This Division has minimal funding from the regular budget for 3 international professional posts and 3 support staff posts at the headquarters level, supported by 15 temporary emergency posts at the field level. The remaining UNDP capacity comes from extrabudgetary resources, projected in the context of the 2002-2003 budget to cover 49 temporary professional positions and 19 temporary support staff positions and related operating costs.

8. The Administrator believes, and experience has shown, that the current stature and profile of the Emergency Response Division as well as its leadership needs to be adjusted to meet adequately the ever-increasing demands on UNDP in this area. The current environment calls for high-level interactions within the United Nations system and Bretton Woods institutions, as well as with senior government officials both in programme countries and key bilateral donor countries.

9. Following consultations with the Secretary-General, the Administrator communicated to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) his plans to elevate the Emergency Response Division to the level of a Bureau and to establish stronger leadership by creating a Director of the Bureau at the post level equivalent to that of other UNDP bureaux, i.e., at the Assistant Secretary-General level (see annex I to the present document). He informed the Committee that the Assistant Secretary-General post is to be funded from extrabudgetary resources for a period of two years, with any further extension subject to review by both ACABQ and the Executive Board in the context of the next biennial support budget submission. The incumbent of the post would be one that brings a high profile to the position, enabling UNDP to respond to the increasing demands in the area at hand, including resource mobilization.

10. The Administrator appreciates the fruitful discussions between his representatives and ACABQ on this important subject. The response of the Committee on his plans is provided in annex II to the present document. While the Committee expressed its reservations on the plans put forward by the Administrator, it recognized in his letter to him "that to fill the gap between relief and long-term reconstruction, there may be a need to obtain appropriate expert advice under your own prerogative that would allow you to address fully issues of prevention, post-conflict and natural disaster mitigation in order to promote and support sustainable development of country programmes".

11. The comments and support of ACABQ are highly valued, as the organization moves ahead in getting UNDP properly equipped to respond to the ever-increasing demands in the area of crisis prevention and recovery, a crucial role in which the United Nations system collectively cannot afford to fail. Against this background, the Administrator has therefore under his own prerogative elevated the Emergency Response Division to the level of a Bureau named Bureau for Crisis Prevention and Recovery (BCPR), under the leadership of a Director at the Assistant Secretary-General level, funded from extrabudgetary resources. This arrangement will be for a period of two years effective 1 November 2001.

12. On the basis of the experience gained from this arrangement, the Administrator will decide whether the post of Director, BCPR, should continue at the Assistant Secretary-General level; if so, he will include it in the context of his budget estimates for the 2004-2005 biennium. This would be fully in line with the request made by ACABQ that a review of the structure of UNDP bureaux and other organizational units be presented in the context of the next support budget estimates, taking into account the commitment of UNDP to rationalize its posts continually in accordance with relevant regulations and rules.

Annex I

Letter dated 10 October 2001 from the Administrator of the United Nations Development Programme to the Chairman of the Advisory Committee on Administrative and Budgetary Questions

Subject: *Establishment of an Assistant-Secretary-General post for crisis prevention and recovery funded from extrabudgetary resources*

I wish to share with you my plan to establish an Assistant-Secretary-General post funded from extrabudgetary resources for a period of two years commencing 1 November 2001 and to present to you the context in which this action is taken.

As you will recall in the context of the ACABQ session in June 2001on the 2002-2003 budget, the subject of UNDP activities in crisis and post-conflict situations was discussed. As mentioned, the role of UNDP in this area is strictly limited to addressing the development dimensions of these situations, and helps to complement the work of other United Nations partners. This aspect of UNDP work draws upon and supports the broader mission of UNDP to enable sustainable social and economic development. In performing its critical mission in the area of poverty reduction and associated areas, UNDP development work is at the forefront of efforts to break the pernicious cycle of crisis, poverty and risk that is among the causes of instability worldwide.

Closely linked to the role of UNDP in this area were the reforms of the Secretary-General. These reforms highlighted the strong need for a holistic and integrated approach to the development and implementation of conflict prevention, peace-keeping and peace-building activities, singling out the "untapped potential" of UNDP as a partner in these areas. The reforms called for a global "culture of prevention", which has resulted in a new system-wide approach and a growing body of experience on the shortcomings of today's handling of countries in transition. These forces for change have called for UNDP to play a pivotal role in the area of conflict prevention through the reduction of risk and vulnerability, which is at the heart of development mandates, recovery and peace-building in countries after conflicts have occurred. In this context UNDP in January 2001 outlined to its Executive Board in document DP/2001/4[1], its work in the areas of crisis prevention, recovery and transition to sustainable development.

UNDP has unique attributes to bring to bear: its extensive country office network, including in all crisis countries; its operational flexibility; its track record and expertise in specific fields such as governance and rule of law, notably in countries emerging from crisis; its disaster prevention and recovery expertise; and experience in formulating transition and recovery strategies. All of these allow UNDP to help to close the gap between humanitarian work and long- term development. UNDP is therefore not seeking to carve out new interventions or new mandates, but merely to mainstream its work in this area into its business practices, while seeking stronger partnerships within and beyond the United Nations system, not least with OCHA, DPA, DPKO and the World Bank. Furthermore, other than the core programme resources designated by the Executive Board for this area, UNDP depends on other resources to fund its overall activities.

[1] Presented to the Committee in the context of the 2002-2003 budget session

As mentioned at the ACABQ session, I entrusted the operational responsibility within UNDP for this area to the Emergency Response Division (ERD). ERD has a minimal core funding of three international professional posts and three support staff posts from the regular budget, with its remaining capacity coming from other resources (extra-budgetary). The overall staffing table of ERD was presented to the ACABQ in the context of the 2002-2003 budget.

Since the role of UNDP role in the crisis and post-conflict area was endorsed by the UNDP Executive Board and even since the presentation of the 2002-2003 budget, there has been increasing demand for UNDP services from programme countries, the United Nations system and other partners. All these partners have highlighted how recent global events are leading to greater recognition of the need for United Nations-led crisis prevention and recovery activities. I believe that a key factor in the ability of UNDP to respond to these new demands will be the stature and profile of ERD and its leadership. I therefore wish to elevate ERD to the level of a Bureau named: Bureau for Crisis Prevention and Recovery and establish stronger leadership by creating a Director of the Bureau at the post level equivalent to that of other UNDP Bureaux. The current environment calls for high-level interactions within the United Nations system, Bretton Woods institutions, as well as with senior government officials both in programme countries and key bilateral donors.

Against this background, I wish to establish an Assistant-Secretary-General post funded from other resources (extrabudgetary) for a period of two years commencing 1 November 2001. The terms of reference of the proposed position are attached. The selected candidate will be one that brings a high profile to the position, enabling UNDP to respond to the increasing demands in the area at hand, including resource mobilization. I fully understand the Committee's concerns on high-level posts, and wish to assure the Committee that UNDP is committed to continually rationalizing the need for these posts.

I value your advice on this subject. If the Committee has any queries or clarification on this proposal, please do not hesitate to contact me. I thank the Committee for their attention to this matter.

(*Signed*) Mark Malloch Brown
Administrator
United Nations Development Programme

Annex II

Letter of 31 October 2001 from the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Administrator of the United Nations Development Programme

Subject: *Establishment of an Assistant-Secretary-General post for crisis prevention and recovery funded from extrabudgetary resources*

The Advisory Committee on Administrative and Budgetary Questions has considered your proposal to establish an Assistant-Secretary–General post funded from extrabudgetary resources for the period of two years commencing 1 November 2001, as indicated in your letter of 10 October 2001. In conjunction with this proposal, you also wish to elevate the Emergency Response Division to the level of a Bureau for Crisis Prevention and Recovery. During its consideration of these matters, the Committee met with your representatives, who provided additional information.

The Advisory Committee recalls that the budget estimates of the United Nations Development Programme for the biennium 2002-2003 were submitted to the third regular session 2001 (10-14 September 2001) of UNDP's Executive Board and that the Committee commented on the proposals, including the scope of the responsibilities of ERD, in paragraphs 39-40 of its report of 29 June 2001 (DP/2001/24). The Committee would have preferred that all the requirements of ERD would have been fully identified, at the time of its review of the budget estimates for 2002-2003. In this connection, the Committee further recalls that in the context of its review of the structure of ERD, the Committee requested that all posts of the Division be clearly disclosed in the next budget presentation and urged the Administrator to manage these resources in an integrated manner (DP/2001/24, para. 39). In examining your request, the Committee also recalled its observations in paragraphs 8 to 13 of document DP/2001/24 with regard to the continuing decrease in general resources.

The Advisory Committee therefore is not in a position either to concur in the establishment of an ASG post or to pronounce itself on the issue of upgrading the Emergency Response Division to a Bureau.

Nevertheless, the Advisory Committee recognizes that to fill the gap between relief and long-term reconstruction, there may be a need to obtain appropriate expert advice under your own prerogative that would allow you to address fully issues of prevention, post-conflict and natural disaster mitigation in order to promote and support sustainable development of country programmes.

The Committee requests that the issue of the review of the structure of UNDP's Bureaus and other organizational units be presented in the context of the budget estimates for 2004-2005, taking into account UNDP's commitment to continually rationalize the need for the posts in accordance with the relevant regulations and rules.

(Signed) C. S. M. Mselle
Chairman
Advisory Committee on Administrative
and Budgetary Questions